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MESSAGE OF THE PRESIDENT.

RICHMOND, VA., Jan. 6, 1865.

To the House of Representatives:

In response to your resolution of the 24th ult., relative to unpaid requisitions upon the Treasury, drawn by the Quartermaster General and the Commissary General, I herewith transmit a communication from the Secretary of the Treasury, which conveys the information desired.

JEFFERSON DAVIS.

COMMUNICATION OF SECRETARY OF TREASURY.

TREASURY DEPARTMENT, C. S. A.,
Richmond, January 5th, 1865.

To the President:

SIR:—I have the honor to acknowledge the receipt of your communication of the 2d instant, transmitting a copy of the resolution of the House of Representatives of the 24th ult., as follows:

"*Resolved*, That the President be respectfully requested to inform this House—First, as to the amount of money for which requisitions from the Quartermaster General and the Commissary General, drawn upon the Treasury, remain unpaid. Second, as to the reasons for the non-payment of such requisitions."

In response thereto, I enclose herein copies of the following papers:

1. Letter from Hon. J. A. Seddon, Secretary of War, to the Secretary of the Treasury, dated December 30, 1864.
2. Letter of the Secretary of the Treasury in reply to the foregoing, dated December 31, 1864.
3. Tabular statement of the appropriations for the War Department, and of the amounts paid in pursuance thereof.

These papers are respectfully submitted as containing all the information called for by the resolution.

The indebtedness exhibited by the unpaid requisitions is $181,000,000

The indebtedness in the Trans-Mississippi Department as reported by Gen. E. Kirby Smith, and for which no requisitions have been made, is	60,000,000
	$241,000,000

This greatly exceeds the estimate of arrears made in my report to Congress of November 7th in which it is stated at $114,000,000.

For this, and other reasons of equal gravity and importance, it has become necessary that another communication should be sent to Congress from this Department, upon the general condition of the finances, and I propose to send in a report without delay.

G. A. TRENHOLM,
Secretary of Treasury.

LETTER OF THE SECRETARY OF WAR.

CONFEDERATE STATES OF AMERICA,
War Department,
Richmond, Va., Dec. 30, 1864.

Hon. G. A. TRENHOLM, Secretary of the Treasury:

SIR:—I have examined the statement of Gen. E. Kirby Smith, referred by you, in which the indebtedness of the Trans-Mississippi Department is approximately stated for the year ending

30th of September, 1864, at	$60,333,099
He includes under the head of amount due,	20,277,465
And from estimates.	40,055,634

To this amount are to be added the debts contracted since that date.

A portion of this sum has been remitted, but it is supposed that the debt is quite as large now, or larger than it was, on the 30th of September last.

The requisitions of the Quartermaster General unanswered now

amount to the sum of	$128,360,584 87
Those of the Commissary General,	34,002,684 65
The Ordnance service in arrears,	5,640,388 00
The Medical service "	3,090,333 00
The Engineer service " exclusive of Tr-Miss.,	5,000,000 00
The Nitre and Mining service,	5,600,000 00

The Department is constantly importuned for the payment of money due for necessary supplies which have already been furnished, and is constantly advised that supplies cannot be obtained for the want of the requisite funds. Its whole service is in a fair way to perish from inanition.

I am satisfied that the discredit of the government has arisen, in a measure, from the delay that has been made in the liquidation

of these pressing, urgent and meritorious claims. I am aware of the many strong considerations that induce a restriction of issue as far as practicable, but I venture to suggest, that the currency itself probably suffers more discredit from the failure to meet the engagements of the government, than could result from inflation by the issue necessary to redeem them.

You can scarcely realize to what extent the inability or failure to meet the obligations of the department has been prolific of mischiefs. It has been occasion and excuse for desertion, marauding, sale of clothing and equipments, among the soldiers. It has prevented the accumulation of supplies; it has affected the efficiency of transportation; it has produced carelessness or indifference among contractors; officers are resentful, and soldiers reckless, discontented and suffering.

Most serious apprehension that unless the indebtedness of this department now existing, can be provided for without delay, that its operations cannot, with daily increasing obstructions, embarrassments and antagonisms among the people themselves, be carried on. I am constrained to invoke your earnest attention to the subject and to urge immediate application of all practicable measures of relief.

Very truly yours,

(Signed) JAMES A. SEDDON,
Secretary of War.

LETTER OF SECRETARY OF TREASURY.

TREASURY DEPARTMENT,
Richmond Dec. 31, 1864

Hon. JAMES A. SEDDON, Secretary of War:

SIR:—I have the honor to acknowledge the receipt of your letter of 30th instant, and to express my sincere regret at the embarrassment arising from the inadequate supply of means at the command of the War Department. That there should be so large an amount of requisitions unsatisfied does not proceed, as supposed, from the effort to restrain the issue of treasury notes. However desirable it was to repress the enlargement of the currency, it was clearly impossible to withhold any part of the proportion of notes applicable to the payment of expenditures. After making the necesssary reservation for the exchange of the old issue as provided by law, the largest amount that remained and could be applied to the payment of expenditures was estimated at $200,000,000.

Of this amount $100,000,000 had already been paid out on requisitions up to 1st July 1864, leaving only $100,000,000 available to meet the appropriations for the six months, from 1st July to

31st December, 1864. The appropriations for the War Department for that period, are	$358,245,000
The requisitions satisfied in the same period are,	320,721,116
The amount sent to the Trans-Mississippi Department in notes, bonds and certificates, is	47,000,000
	367,721,116

The amount paid in treasury notes from 1st April to 31st December, is $397,260,209, from which it appears that not only has the $200,000,000 authorized by the provisions of the Act of 17th of February, been applied in the satisfaction of requisitions, but also a further sum of $197,260,209, derived from the sale of bonds, temporary loans and other sources.

It will be perceived, too, that a sum equal to the appropriations for the last six months, was paid in that period, and that the embarrassment really arises from the pre-existing indebtedness. The *data* for determining the arrears of debt in July last, were quite imperfect. It was estimated, by my predecessor, at $75,000,000, on the 1st of April, (Report of May 2, page 4.) In my report of November 7, I estimated it to have been $114,000,000, on the 1st of July last, and recommended that provision should be made for this amount. On the 15th of December, I addressed a letter to Hon. F. S. Lyon, Chairman of the Committee of Ways and Means, pressing on his attention the necessity of prompt action in making provision to meet the estimates for the approaching six months and the arrear of debt.

Among the resources of the future, I rely upon obtaining about $40,000,000 from the tax on sales for the last quarter of the year, and the income tax, which are payable on the 1st of January, 1865, and consequently receivable in new issues. I relied upon this resource to defray the arrear of pay due the army.

The accompanying table exhibits the appropriations for the several Bureaus of the War Department, and the amount of requisitions satisfied for them respectively.

Yours, most truly,

(Signed) G. A. TRENHOLM,
Secretary of the Treasury.

STATEMENT OF WAR APPROPRIATIONS, &c.

Bureau.	Amount appropriated from 1st July to 31st Dec., 1864.	Amount of appropriations transferred to Tr-Miss. Dept.	Amount remaining after allowing transfers.	Total amount drawn from 1st July, '64, to 1st Jan., 1865.
Quartermaster's Department,	$125,750,049 00	$22 018,567 00	$108,731,482 00	$119,783,740 43
Subsistence	100,000,000 00	12,500,000 00	87,500,000 00	90,592,880 40
Ordnance Service,	25,000,000 00	4,500,000 00	20,500,000 00	27,915,777 96
Nitre and Mining Service,	6,800,000 00	2,150,000 00	4,650,000 00	12,190,492 10
Engineer Service,	10,000,000 00	2,000,000 00	8,000,000 00	9,032,834 65
Medical Service	16,320,000 00	570,000 00	15,750,000 00	10,000,177 11
Pay of the Army,	74,249,951 00	19,000,000 00	55,249,951 00	49,376,880 51
Bureau of Conscription,	.....	.....	.....	1,787,847 10
Contingent Expenses A. & I. Gen's Dept.	25,000 00	.....	.....	4,000 00
Incidental and Contingent Exp. of Army.	100,000 00	.....	.....	181,086 17
	$358,245,000 00	$62,788,567 00	$295,381,433 00	$320,721,116 41

REMITTANCES TO TRANS-MISSISSIPPI DEPARTMENT.

Treasury notes from June 3d to November 23d, 1864,	$20,000,000 00
Six per cent. non-taxable bonds from July 21st to November 9, 1864,	6,000,000 00
Four per cent. loan from August 6th to November 9, 1864,	9,000,000 00
Certificates of indebtedness from August 6th to November 9, 1864,	12,000,000 00
	$47,000,000 00

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